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## SUBCOMMITTEES:

HEALTH

ENERGY AND ENVIRONMENT

ASSISTANT DEMOCRATIC WHIP



## Congress of the United States

## House of Representatives

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January 29, 2010

0200

Chairman Julius Genachowski  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Chairman Genachowski:

I recently had the opportunity to meet with executives of Snap Telecommunications, Inc. ("Snap!VRS" or "Snap"), headquartered in Rockland County, New York, which I am privileged to represent. Over one hundred and fifty employees depend on Snap!VRS for their employment.

I recently learned about certain schemes fraudulent companies have used to defraud the Telecommunications Relay Services Fund. I am also aware of the Federal Communications Commission's heightened scrutiny of VRS providers in response to these fraudulent schemes. One part of this response includes the withholding of compensation for certain VRS calls, pending a review of their validity. While I commend the vigorous oversight to protect the integrity of the Fund, I want to ensure my constituents that they will be able to access the telecommunications services they need. In addition, I want to make sure the companies which provide these services are fairly compensated.

In its review of various types of VRS calls, the Commission has withheld compensation for calls made by deaf consumers who took part in remote training programs. In particular, the Commission has withheld funding from Snap for these calls since October 2009. It is my understanding that Snap proactively informed the Commission and NECA of these calls, and that the Commission initially reimbursed Snap for several months worth of the calls. However, since October, the Commission has not reimbursed Snap for approximately \$1.5 million for these calls.

Neither the Commission nor NECA has claimed that these calls are invalid. And despite Snap's requests for information, the Commission has not given any indication when, or indeed if, they will receive reimbursement for their costs.

In recent ex parte filings, the Commission has been called on by Snap and other VRS stakeholders to (1) issue a notice of proposed rulemaking to establish clear rules about the type of Internet-based relay calls that should – or should not – be compensated by the Fund; (2) clarify the specific procedures the Commission and NECA are and will be using to withhold

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reimbursement for any VRS minutes under review; and (3) pay compensation to VRS providers after the expiration of the extended 6-week period NECA established last year as the period during which it would review all VRS minutes submissions for errors, fraud, or other issues,

I respectfully request the Commission's quick resolution of the compensation and reimbursement issues affecting Snap. I also request a written response from the Commission about the status of any investigation or inquiry into the validity of these calls, and when or if Snap will be reimbursed.

I look forward to your timely response.

Sincerely,



Eliot L. Engel  
Member of Congress

cc: Joel Gurin, Bureau Chief  
Consumer & Governmental Affairs Bureau

Mark Stone, Deputy Bureau Chief



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

May 12, 2010

The Honorable Eliot L. Engel  
U.S. House of Representatives  
2161 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Engel:

Thank you for your letters regarding reimbursements from the Interstate TRS Fund to Snap Telecommunications, Inc., for provision of Video Relay Service (VRS), and the *Declaratory Ruling* released on February 25, 2010, by the Commission's Consumer and Governmental Affairs Bureau. I share your support for VRS, which has become a critical communications tool for many who are deaf or hard of hearing. Commission staff is familiar with Snap's concerns, and has had ongoing discussions with the company.

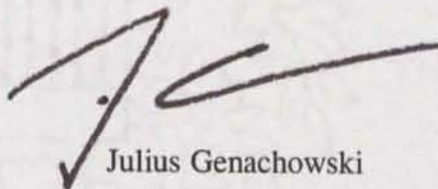
The Commission remains dedicated to fulfilling the objectives of Congress when it created the VRS program. Please be assured that all forms of TRS, including VRS, remain available to everyone who needs them. In fact, the Commission has begun a process to strengthen and protect VRS. The February 2010, *Declaratory Ruling* reaffirmed the Commission's rules and policies concerning reimbursement and calling practices for the Video Relay Service (VRS). The Commission is monitoring the impact of the *Ruling* as we move forward with reform of the VRS. I have circulated a draft Notice of Inquiry for my colleagues' consideration as part of the VRS reform proceeding. I assure you that bringing clarity and predictability to VRS compensation will be high on our list of priorities, and we will resolve this proceeding as expeditiously as possible.

As you note, the Commission also has been reviewing particular allegations involving the provision of VRS. The Commission does not confirm or discuss the occurrence of any ongoing investigation. We share your goal, however, that TRS providers receive fair compensation in accordance with the Communications Act. To ensure this, the TRS Fund Administrator – currently NECA – reviews all monthly reimbursement requests from TRS providers, pursuant to Section 225 of the Communications Act and Commission rules. In appropriate circumstances, the Commission may suspend or delay payment to a provider. To the extent that payment is withheld from a provider under these rules, payment will be made if subsequent review determines that the service minutes claimed are compensable under the Act and the Commission's rules. This process gives the provider an opportunity to explain and support its submission.

Page 2—The Honorable Eliot L. Engel

We hope to resolve Snap's concerns as soon as possible. I appreciate your continuing interest in this important matter. Please let me know if I can be of any assistance.

Sincerely,

A handwritten signature in dark ink, appearing to be 'JG', with a checkmark-like flourish at the bottom left.

Julius Genachowski